

THE SEWER BOARD OF THE CITY OF NEW ALBANY, INDIANA HELD A MEETING IN THE 3RD FLOOR ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING, NEW ALBANY, INDIANA ON TUESDAY, JULY 3, 2007 AT 3:30 P.M.

PRESENT: Chairman Mayor James Garner, Vice Chairman Bill Utz, Kevin Zurschmiede, Todd Solomon and Larry Kochert.

OTHERS: Attorney Greg Fifer, Tim Crawford, Brian Dixon and Rob Sartell, EMC, and City Clerk Marcey Wisman.

CALL TO ORDER:

Mayor Garner called the meeting to order at 3:31 p.m.

PLEDGE OF ALLEGIANCE:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Kochert moved to approve the June 5th minutes as amended, Mr. Utz second, all voted in favor. Mayor Garner abstained.

Mr. Utz moved to approve the June 16th minutes as amended, Mr. Kochert second, all voted in favor.

Mr. Solomon moved to approve the June 19th minutes as amended, Mr. Kochert, all voted in favor.

COMMUNICATIONS - PUBLIC:

Rick Kimes, 305 W. Main Street, spoke regarding the EMC Contract and the fact that it was not bid out. He asked if they are willing to cut their price since they have been over charging the city in the past.

Mayor Garner explained the process the board followed in this situation. He stated that they hired a consultant that reviewed the work that was being done by EMC and the contract with cost analysis. He explained that in the wake of this review they have added several amendments to the contract.

Mr. Kimes asked if it was the suggestion of the reviewing company to accept this new contract without sending it out for bid.

Mayor Garner stated once they got the numbers where they wanted them it was everyone's decision to go with EMC

Mr. Solomon stated that he takes offense with only looking at the cheapest bid and in this situation the city will be benefited by having a company that understands the history of the current system. He explained that you have to take the risk into consideration on this matter not just the monetary issue.

Mayor Garner stated that there are criminal penalties with regards to the EPA and the city is on the hook for those penalties and they found out this information when the EPA investigator came in.

Troy Bennett came to ask for a credit on his sewer bill. He stated that he and his wife built a new house last year and they spent \$7000 to seed and repair erosion problems, this year he spent \$2300 on sod. His sewer bill for that month was over \$600 and he would like to receive an adjustment because he has not put that water down the sewer system.

Mr. Fifer stated that Indiana state law dictates the two ways that they can charge for sewage. One is take cost and average and have flat monthly fee, and the other is to base it on the water consumption. They rely on the water company to give them meter readings

to assess these bills. Their policy states that in order to get an adjustment outside of the watering policy a separate meter is required which he doesn't have; he stated that he isn't apposed to the board considering his claim, but that they have been reluctant in the past to do this. He explained that an application needs to be filed with Ms. Welsh and then she will bring it to the board for them to determine whether or not to make the adjustment.

Mr. Bennett stated that he wouldn't have come here if the bill had just been double because he expected it to be a little more, but this bill was almost ten times more and it wasn't going into the sewers.

Mr. Fifer explained the process of applying for an adjustment and asked him to go through the proper procedure and explained that he understands his hardship but they still need to go through the proper procedures and then it will come to them at the next meeting for consideration. He stated that the late fees for the billing can be taken care of and liens don't get files until after 60 days and they will have this taken care of before then.

Mr. Bennett stated that he was told by someone in the sewer office when he contacted them that if he didn't pay then they would just place a lien against him.

Mayor Garner stated that it wouldn't happen right away.

Frank Alford, 2245 Grandview Drive, came to discuss sewer lien letters for bills from 2003 totally \$250 and it seems that it is very late for them to be sending letters now.

Mayor Garner informed him that they are sending out letters dating back to 1999. He explained that in 2003 they were handed 4 years worth of past-due bills that they had to research and collect on.

Mr. Alford asked if it was possible that they waiver the late fees.

Mayor Garner stated that as of this date they haven't but that they could take it under advisement and bring it to the next meeting. He told Mr. Alford to call Ms. Welsh and have her assess the late fees on both letters and they will make a decision then.

Steve Tolliver, Aquasource, stated that he just wanted to reiterate what he told them last week that they are a local company with a great relationship and record with EPA and IDEM, from what he has read they are offering a contract for approximately \$750,000 cheaper. He explained that they are willing to keep the best of the existing staff and the existing managing staff and he would like the board to keep that in mind before they make a final decision.

COMMUNICATIONS - CITY OFFICIALS

Steve Price, 3rd District Councilman, asked the Mayor if he had asked for bids from any other companies. He stated that he believes that it would look better to the public if the contract had went out for bid and he understands that it isn't just about money but he believes that the contract should have gone out for bid to get the best possible deal.

Dan Coffey, 1st District councilman, stated that he was disturbed by some of the information that he heard at the council meeting because he remembers when EMC first came forward the council was told that if any penalties were filed against the city that EMC would be responsible. He explained that as a councilmember he is appalled that this contract would be awarded without bids being received. He stated that for this board to deny the incoming individuals the right to choose who they want to work with is dirty politics.

SEWER ADJUSTMENTS:

NEW BUSINESS:

Item #1 - Troy Bennett re: sewer bill 3064 E Lobo Ridge

Item #2 - Darryl Boone re: summer billing program.

Item #3 - Brent Schroeder re: request for sewer credits

Mr. Schroeder stated that the project on Eagles Lane for the Industrial Park will only need 1400 credits rather than 3,000.

Mr. Fifer stated that at this time the board can vote to reserve these credits until they are ready to actually start building.

Mayor Garner told him to get the plans to Brian Dixon.

OLD BUSINESS:

Item #1 - Donohue re: Project Update

Paul Elling reported that the 15th Street project has had the Geotechnical people out there and have drilled and they have found that there is fine sugary sand and water. They have also drilled on Vincennes and 13th and they reached rock at about 15 - 20 feet. He asked Mr. Dixon if had heard from Pipe Eyes.

Mr. Dixon reported that he has tried to contact Pipe Eyes and has not heard back from the.

Mr. Elling reported on the Master Plan Project

Item #2 - Clark Dietz re: Project Update

Mr. Hans Peterson reported that he had a Cash Flow chart for the two projects that they are getting ready to start. He presented the Cash Flow Schedule for the 6 projects that they have scheduled and reviewed the schedule with the board. Said schedule is on file with the City clerk's office. He then presented a Bidding Construction Schedule for the Robert E. Lee Lift Station and Basin 35 Interceptor Phase 1 which he reviewed with the Board. Said schedule is on file with the City clerk's office.

Mr. Fifer asked how long the bids would be good for.

Mr. Dixon stated that in the past they have made it 60 to 90 days. They can put in any amount of time they want. He stated that you do not want to make it too long because the cost of oil keeps fluctuating

Mr. Utz asked about the design for Basin 35.

Mr. Peterson presented the design drawings and explained where the line will run. He also explained that there will be some complications with the line running through an area that is a mapped forested wet land and showed a path they can follow to avoid these problems.

There was a lengthy discussion regarding ways to avoid the wet lands and how best to work with the KFC who has just built in the area.

Mr. Solomon motion to approve the bidding construction schedule and the Cash Flow Schedule, Mr. Kochert second, all voted in favor.

Item #3 - Review of Sewer Utility Budget

Mr. McCormick present the monthly financial report and Sewer Utility budget for the year 2007 – 2008 that he reviewed in detail with the board. Said report is on file with the City Clerks office.

Item #4 - EMC Contract

Tim Crawford reported that as of this morning there were a couple of outstanding issues with the contract that they worked on with Mr. Fifer.

Mr. Fifer explained that they need to add a sentence to page 8 section 2.30 that states that excessive grit building-up is defined as greater than one (1) foot of grit at the bottom of the ditches. On section 4.2 page 10 it was discovered that basin 8 had been omitted from the schedule and when it was put in it pushed the MOU out to January 2010 but it has been tweaked so that all the MOU work will be done by December 2009, and they will be inserting a clause that says the City agrees to pay EMC the incentive compensation in the event that EMC has met the requirements of section 2.25 and the MOU related cleaning and televising in appendix C. He stated that Basin 8 will be December 30, 2009 and Basin 17 will be November 30, 2009, and Basin 14 will be October 31, 2009.

Mr. Solomon stated that on Appendix D the intro has ACD but it does not define it.

Mr. Fifer stated that he can change that in the final copy.

Mr. Fifer commented on Mr. Coffey's comment that this board is tying the next administrations hands and explained that this had to happen to some extent one way or the other. He stated that this was done by the past administration extending the current EMC contract to expire December 31, 2007 and if competitive selection process is to take place it requires a 120 day notice to EMC and that is what they expected to happen this year. The consultant that was hired decided that EMC was doing a good job and the board decided to try and negotiate a new contract with EMC and he went over all of the pluses of the new contract. He also stated that the two citizen appointees on the board would continue on past next year and that should be considered.

Mr. Solomon stated that he feels that Kevin and Bill did a good job negotiating this contract getting the amount reduced and the services increased. He stated that Mr. Price did make a good point that you do not have to take the lowest bidder but in New Albany you have the pressure to go with the rock bottom price. He stated that he would be happy to vote today but if they wanted to take a couple of weeks to consider everything he would be okay with that too.

Mr. Zurschmiede stated that he feels that they have worked very hard on the best possible contract for the City. He motioned to approve the contract, Mr. Utz second, all voted in favor.

EMC REPORT:

Brian Dixon reported that the blanket bond application for Basin 35 Phase I required for a sewer project needs to be signed.

Mr. Kochert reported that on McDonald Lane the dips in the road are getting worse and he asked if they have looked into it.

Mr. Dixon stated that they cannot run a camera through the force main because it will be full of water. He stated that he believes that it is happening due to settling and he would need to check with Clark Dietz to see if a concrete cap was poured.

Mr. Kochert stated that there is also a problem on Slate Run Road there is a ditch going from Beeler towards Charlestown Rd.

Mr. Dixon stated that they don't have a sewer there and the ditch is in the middle of the driving lane, and he doesn't know if there is anything under there but it isn't a sanitary sewer. He stated he doesn't think it is storm sewer but he can call the other utilities to find out if they have something under that area.

Mr. Kochert stated that there are also problems on Silver Street close to Abersold Florist with the road sinking.

Mr. Dixon stated that he would go out and look because he isn't familiar with that problem.

Mr. Brinkworth reported that in Georgetown they wanted 6600 credits and he didn't know if their decision to start work on the Robert E. Lee lift Station would affect this request.

Mayor Garner stated that it was the feeling of the board that they would need to wait on this.

Mr. Brinkworth also discussed Pleasant View Ridge that will have 33 homes on St. Joe Road and he needs 14,880 that will be in basin 33.

Mr. Fifer suggested that that they give the project credits because Dr. Poutija will be building his hotel which will be done in Basin 33. He suggested that he get with Jason Copperwaite to get the capacity study done.

Ms. Haley stated that she received the study for IUS and Purdue and she needs the board to vote on those so that she can finish the paperwork.

There was a lengthy discussion regarding the placement of this project and Mr. Brinkworth stated that Mr. Winterheimer is still waiting to hear about Basin 35.

Mr. Fifer stated that he spoke with Mr. Theinaman and Mr. Christmas sent out a cash flow analysis of Basin 35 section 2 & 3 and he put the dates on there, and basically their project can't afford a total contribution of \$500,000 over a period of time. They stated that they are planning to pursue annexation into the City but it is still a hurdle they have to get over. They intend to build their projects in three phases starting in June of 2008 with no occupants until January of 2009, and they are willing to write a check for \$155,000 and 1/3 of the \$345,000 and then two more installments of \$115,000 over 6-8 month intervals.

Mr. Zurschmiede asked what would happen if they aren't accepted into the City.

Mr. Fifer stated that it would end up being \$700,000 and that would be a decision they would have to make.

Mr. Solomon stated that they need to see if they can work on increasing the \$155,000

Mayor Garner asked where he would like the number to be.

Mr. Utz stated they would be better off asking \$250,000 and letting the tap fees be less.

Mr. Zurschmiede stated that he believes the question should be what they are going to contribute outside of tap fees.

Mayor Garner stated that they need to tell them that they need a new number that the board isn't satisfied with \$155,000.

Mr. Brinkworth stated that on 111 for Captain's Point the developers are going to have to build sewer lines and put in a water tower and they need 90,000 sewer credits for this project.

Mayor Garner stated that they would not be able to allow any connections to this line until June of 2008, and they would need the capacity study. He asked for a motion on IUS.

Mr. Solomon motioned to approve 40,000 credits for IUS based on the Clark Dietz capacity letter, Mr. Utz second, all vote in favor.

Mayor Garner stated on Purdue credits they need a motion.

Mr. Kochert moved to approve, Mr. Utz second, all voted in favor.

BIDS:

CLAIMS:

Mr. Dixon presented the following claims totaling \$57,437.24

Donahue & Associates	Invoice #4	\$2975.29
	Invoice#5	\$202.50
	Invoice#1	\$570.00
	Invoice#15	\$5,934.55
CDI	Invoice #41607	\$3,317.50
	Invoice#41606	\$2,000.00
	Invoice#41805	\$11,325.00
	Invoice#41792	\$10,600.00
	Invoice#41793	\$3,230.00
	Invoice#156958	\$3,255.00
K&E Equipment Co.	Invoice#13557	\$8,850.00
Team Contracting, LLC.	Invoice#07	\$1,300.00
	Invoice#07-MISCIN	\$1,950.00

Mr. Solomon asked why the Budd Rd and Vincennes Road work wasn't done in-house.

Mr. Dixon stated that the work was too deep and the flows were too heavy for their crews to do the work.

Mr. Solomon asked if the camera is now working.

Mr. Dixon stated that the only camera that isn't functioning is the lateral camera. He explained that it is not necessary for televising and cleaning.

Mr. Utz motioned to approve, Mr. Kochert second, all voted in favor.

Mr. Solomon asked if there was any word on the Amended Consent Decree.

Mr. Fifer stated that he has not.

Mr. Solomon asked about the Fox/Cotner mediation.

Mayor Garner stated that the mediation will be on July 17 at Mr. Hansford office on Pearl St. at 10:00 am

Mr. Solomon asked if there was anything on the sewer back-up policy.

Mr. Fifer stated that now that they have finished Appendix D in the contract he can finish the policy.

Mr. Solomon asked if there was anything on the pipe Eyes contract.

Mr. Dixon stated that he has looked over it and he has contacted them both by email and phone calls.

Mr. Solomon asked about the Lewis Street project.

Mr. Dixon stated that they are waiting to hear from the board to see if they need to bid it out or if they can just get quotes.

Mr. Fifer stated that he would look up the statutory amendment and get back with him.

Mayor Garner told him to go ahead and get quotes.

Mr. Solomon asked if they have hired a utility manager.

Mayor Garner stated that there was no movement at this point. They are trying to decide if they want to wait for the incoming Mayor to handle it.

Mr. Solomon stated that they have been given the approval and believes that they should go ahead and hire someone. He asked about his replacement.

Mayor Garner stated that he did have a name and he would email the information to Mr. Solomon.

ADJOURNMENT:

There being no further business before the Sewer Board, the meeting adjourned at 6:03 p.m.

Respectfully submitted,

Mayor James Garner, Chairman

Marcey Wisman, City Clerk